REMARKS

Claims 1-80 were previously pending in this application. Previously pending claims 1-3, 19-21, 36-39, 54-58, 65-69 and 74-79 are independent claims. Applicants respectfully request reconsideration in view of the foregoing amendments and the following remarks.

Claim Rejections —35 U.S.C. § 103

The Office Action indicates that the previous rejections of claims 1-80 have been maintained. Claims 1, 5-21, 22-35, 36-39, 40-53, 54-58, 65-69, 74-80 having been rejected under 35 U.S.C. § 103(a) as being unpatentable over Joao (U.S. Pat. No. 6,347,302) ("Joao"), in view of Bell, et al. (U.S. Pat. No. 6,574,606) ("Bell"), in further view of Joseph (2001/0034690) ("Joseph"). Claims 2, 38-39 and 56 have previously been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Joao and Bell, in view of Ryan (US Pat. No. 6,304,859) ("Ryan"). Claims 3-4, 36-37, 54-55 and 57 have previously been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Joao, in view of Ryan. Claim 78 has previously been rejected under 35 U.S.C. § 103(a), as being unpatentable over Joao, in view of Joseph. Applicants request reconsideration in view of the following remarks.

1. A Prima Facie Case of Obviousness Has Not Been Established

Applicants respectfully submit that a *prima facie* case of obviousness has not been established. In the pending Office Action, the Examiner has patched together a series of rejections based on a series of overgeneralizations and mischaracterizations of Joao, Joseph, Ryan and Bell. In Applicants' previous Amendment/Response several deficiencies and mischaracterizations were identified in the Examiner's various assertions in his rejections. However, the Examiner has simply ignored the Applicants' traversal of his rejections and reiterated his rejections that are ultimately based on mischaracterizations of the cited references, as described below.

In the "Response to Arguments" section of the pending Office Action, the Examiner states, that "One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references." (See, Office Action, pages 21-22). Applicants submit that pointing out deficiencies/ mischaracterizations with regard to the cited references and the Examiner's assertions as to what those references allegedly disclose, is not simply attacking a reference. Instead, the Examiner **must** establish that the alleged combination of references are combinable or able to be modified in a way that would render obvious the claimed invention as one aspect of establishing a *prima facie* case of obviousness.

Applicants submit that the Examiner has failed to establish that the cited references anticipate or render obvious the pending claims. The Examiner states that the

deficiencies in the cited refcrences "the Applicant disputes as missing...have been fully addressed by the Examiner ...as detailed in the remarks and explanations given in the preceding sections of the Office Action, and incorporated herein." (See, Office Action dated 9/24/07, page 21). However, the "remarks and explanations" consist only of reiterating the Examiner's previous rejections. The Examiner has not specifically responded to the identified deficiencies and issues raised by the Applicants with regard to the cited references.

For example, with regard to indepcndent claim 1, the Examiner has failed to respond to Applicant's discussion of the deficiencies in Joseph - which the Examiner relies on to allegedly establish his prima facie case of obviousness. Instead of addressing the issues raised in the previous Response, the Examiner has simply "incorporated" by reference his previous rejection of claim 1- which mischaracterizes Joseph's system. Applicants submit that Joseph does not discuss "offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date" (emphasis added) which thc Examiner asserts is discussed on Joseph's Page 5 in Paragraphs 0045-0047. (See, Office Action dated 9/24/07, page 3, ¶ 5).

As discussed in greater detail below, Joseph discusses a vehicle lease transfer mechanism, which enables a listing user to obtain liability insurance in ¶ [0043] -[0047] if the existing lease indicates the original lessee is still liable for the vehicle despite transferring the lease to a subsequent lessee . The Examiner has yet to respond to

Applicants' identified deficiencies in Joseph or clarify how Joseph is supposedly used as the basis for a "proposed modification of the applied references to arrive at the claimed subject matter" that might establish one of the 4 elements of a *prima facie* case of obviousness. Applicants have pointed out additional deficiencies with regard to the Examiner's alleged *prima facie* case of obviousness with regard to independent claims 2 and 3, which have also been ignored.

Applicants request that the Examiner address the identified deficiencies specifically raised by the Applicants substantively and with particularity. Moreovcr, MPEP Section 706.02(j) makes this an explicit of an Office Action: "It is important for an examiner to properly communicate the basis for a rejection so that the issues can be identified early and the applicant can be given fair opportunity to reply." Instead, simply incorporating a previous rejection by reference without further clarification, provides no opportunity for the Applicants to address the Examiner's concerns.

Moreover, MPEP Section 706.02(j) discusses the four elemcnts required for establishing a *prima facie* case of obviousness:

(i) the relevant teachings of the prior art relied upon
(ii) the differences in the claim over the applied references
(iii) the proposed modification of the applied references to arrive at the claimed subject matter, and
(iv) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Applicants respectfully submit that instead of simply attacking the references individually, Applicants have pointed out several instances in which the Examiner has failed to establish at least requirements (i) and (iii) for establishing a *prima facie* case of obviousness. More specifically, Applicants have identified several deficiencies in the alleged relevant teachings of the references, as well the alleged proposed modifications of the references that supposedly arrive at the claimed subject matter. As such, Applicants submit that the Examiner has not established a *prima facie* case of obviousness. If the Examiner disagrees and maintain his rejections, Applicants request that the Examiner address each section of part 2 of this Response specifically and with particularity.

2. Explicit Discussion of Deficiencies in the Cited References, With Regard to the Pending Claims

For the Examiner's convenience, Applicants include the explieit discussion of the deficiencies in the cited references, with regard to claims 1-80 from the Response dated January 18, 2006 and the July 2, 2007 Amendment/Response :

I. Claims 1, 5-21, 22-35, 36-39, 40-53, 54-64, 65-69 and 70-80 are patentable

Independent claim 1 recites, *inter alia*:

> A method for encouraging the purchase or re-leasing of an item after an expiration of a lease, comprising:

identifying a lease on an item that corresponds to an electronically stored record, the lease having an approaching expiration date;

identifying a customer corresponding to the lease; and

offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date.

Applicants submit that the cited references, taken alone or in combination, do not teach, disclose or suggest the elements recited in pending claim 1. More specifically, Applicants submit that the cited references do not teach or suggest at least offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date, as recited in independent claim 1.

The Examiner acknowledges that, "Joao and Bell do not explicitly disclose offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date." (See, Office Action dated 9/24/07, page 3, ¶ 4). Therefore, the Examiner asserts, "Joseph suggests offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date…[as allegedly disclosed in] Joseph, Page 5, P 0045-0047)." (See, Office Action dated 9/24/07, page 3, ¶ 5). Applicants disagree and submit that the Joseph does not discuss or render obvious offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration of the lease.

In contrast to independent claim 1, Joseph discusses a method for facilitating the transfer of an existing vehicle lease between parties (See, Joseph,

Abstract). Joseph does not discuss offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration. Instead, Joseph's system is directed to allowing a current lessee to transfer the lease to another lessee before the lease expires (See, Joseph, ¶ [0003]). Joseph's system simply facilitates a searchable database of leases available for transfer prior to lease expiration (See, Joseph, ¶ [0007]).

Joseph's system enables a listing user to obtain liability insurance in ¶ [0043] -[0047] if the existing lease indicates the original lessee (Joseph's listing user) is still liable for the vehicle despite transferring the lease to the subsequent lessee (Joseph's searching user). The liability insurance link 210 simply provides the original lessee with an option to request an application for insurance (See, Joseph, ¶ [0043]). Joseph indicates, "The electronic [request] message 250 may initiate an automated preparation of an insurance application which can be electronically forwarded to the insurance provider for approval." (See, Joseph, ¶ [0045]). Instead of offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration as recited in independent claim 1, Joseph discusses providing the listing user ("a seller") with the option to submit an application for insurance.

Joseph's insurance application is: (a) not a paid insurance policy; (b) not offered to a customer; (c) not offered in exchange for purchasing or re-leasing the item, and (d) not offered to the lessee to purchase or re-lease the item after expiration of the lease. Accordingly, Applicants submit that independent claim 1 is not rendered obvious

in light of Joao, Bell, or Joseph, taken alone or in combination, and that the cited references do not teach, disclose or suggest the claimed invention. Applicants submit that independent claims 58, 78 or 79 are not rendered obvious in light of Joao or Joseph, taken alone or in combination for at least similar reasons, and that the cited references do not teach, disclose or suggest the claimed invention.

II. Claims 2, 38-39 and 56 and Claims 3-4, 36-37, 54-55 and 57 are patentable

A. Independent claim 2 recites, *inter alia:*

> A method for encouraging the purchase or re-leasing of an item after an expiration of a lease, comprising…
>
> calculating a difference between an actual residual value and a projected residual value of the item; and
>
> determining a term for an insurance policy, the insurance policy having an insurance premium at most equal to the difference; and
>
> if the customer purchases or re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy.

Applicants submit that the elements recited in independent claim 2 are not taught, disclosed or suggested by Joao, Bell or Ryan, taken alone or in combination.

The Examiner acknowledges that "Joao and Bell do not explicitly disclose calculating a difference between an actual residual value and a projected residual value of

the item; and if the customer re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy." (See, Office Action dated 9/24/07, page 13, ¶ 2). The Examiner asserts, "these features are known in the art as evidenced by Ryan." (See, Office Action dated 9/24/07, page 13 ¶ 3). The Examiner relies on Ryan, Col. 6, lines 5-67 as allegedly remedying the deficiencies of Joao and Bell. More specifically, the Examiner states, "It would have been obvious…to have included the features of Ryan with the motivation of providing a system performing three processes which ideally occur simultaneously, 1.) optimal premium determination, 2.) current cash value monitoring, and 3) periodic reporting." Applicants submit that even assuming Ryan discusses optimizing a premium, monitoring a current cash value and periodic reporting, the pending claims are still patentably distinct from Ryan, taken alone or in combination with Joao and/or Bell.

Applicants submit that Ryan does not remedy the deficiencies identified in Joao and Bell. Ryan is directed to facilitating financial interactions for optimizing a life insurance premium. More specifically, Ryan's system links an insurance carrier with an independent lending institution to determine the optimal premium structure for a contemplated variable life insurance product using a portion of the policy owner's money and a lending institution loan to finance the premium (See, Ryan, Abstract). Ryan, in Col. 6, lines 5-15, defines a set of rules for optimizing the life insurance premium. Applicants submit that the Ryan's rules do not teach or suggest, "calculating a difference

between an actual residual value and a projected residual value of the item..." as asserted by the Examiner and recited in independent claim 2. Instead, Ryan's system determines:

> whether the projected before-tax cash value for the expected year of retirement is sufficient to meet the desired retirement cash total after the payment of taxes and the repayment of the loan, in addition to determining if the calculated face amounts are equal to or greater than the targeted face amounts during employment." (See, Ryan, Col. 6, lines 11-17) (emphasis added).

Accordingly, Applicants submit that Ryan's premium optimization does not teach, disclose or suggest calculating a difference between an actual residual value and a projected residual value of the item, as recited in independent claim 2.

Furthermore, Applicants submit that none of Ryan's optimization calculations; monitoring an actual cash value; or reporting procedures teach, disclose or suggest, "if the customer purchases or re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy." Accordingly, Applicants submit that the elements in independent claim 2 are not obvious in light of Ryan, Joao, or Bell, taken alone or in combination.

B. Similarly, Applicants submit that neither Joao, nor Ryan teach, disclose or suggest the elements recited in independent claim 3.

Independent claim 3 recites, *inter alia*

> A method for receiving an insurance policy for an item, comprising:
> leasing an item for a predetermined period of time;
> creating an electronic record associated with the item;
> storing the electronic record;
> purchasing the item at the expiration of the predetermined period of time; and
> receiving an insurance policy for the item, wherein at least a portion of the premium corresponding to the insurance policy is paid by a third party, in exchange for the purchase of the item.

Applicants submit that the cited references do not teach, disclose, or suggest at least receiving an insurance policy for the item, wherein at least a portion of the premium corresponding to the insurance policy is paid by a third party, in exchange for the purchase of the item.

The Examiner acknowledges, "Joao does not explicitly disclose receiving an insurance policy for the item wherein at least a portion of the premium corresponding to the insurance policy is paid by a third party in exchange for the purchase of the item." (See, Office Action dated 9/24/07, page 16,¶ 2). Therefore, the Examiner asserts Ryan remedies the identified deficiency in Ryan, Col. 4, lines 22-67. However, Applicants submit that Ryan does not teach, disclose or suggest a third party paying at least part of the premium in exchange for the purchase of the item, as recited in independent claim 3.

In Col. 4, lines 22-67, Ryan does not teach, disclose or suggest a third party paying even a portion of the premium, in exchange for the purchase of the item. Instead, Ryan simply discusses a set of calculations for "determining an optimum life

insurance premium necessary to achieve financial security at retirement..." (See, Ryan, Col. 4, lines 25-31). Applicants submit that the claimed third party payment of at least part of the calculated premium is not obvious in light of Ryan's distinct optimal premium calculations; current cash value monitoring; and/or periodic reporting. Accordingly, Applicants submit that the elements in independent claim 3 are not obvious in light of Ryan, or Joao, taken alone or in combination.

Conclusion

For at least these reasons, Applicants submit that independent claims 1, 2 and 3 are patentably distinct from the cited references, taken alone or in combination, for at least these reasons. Although Applicants submit that claims 5-21, 22-35, 36-39, 40-53, 54-64, 65-69 and 70-80; claims 38-39 and 56; claims 4, 36-37, 54-55 and 57 have different scope than independent claims 1, 2, and/or 3, Applicants submit these claims are also patentably distinct from the cited references, taken alone or in combination, for at least similar reasons. Therefore, Applicants request withdrawal of these grounds of rejections for at least the reasons discussed above.

AUTHORIZATION

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17246-003. In the event that an additional extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17246-003.

Respectfully Submitted,

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